

Alaska Regional Development Organizations Program

Department of Community and Economic Development

Program 18

I. PROGRAM OBJECTIVES

The objective of this program is to facilitate the formation of regional economic development organizations whose purpose is, according to 3 AAC57.090, to provide services designed to encourage economic development to local villages, communities, and businesses in the region; collect and distribute economic information relevant to the region; serve as an effective liaison between state government and the region; develop and implement a regional economic development strategy; and carry out certain administrative activities.

II. PROGRAM PROCEDURES

Upon successful completion of an application process, a qualifying organization may be awarded the Alaska Regional Development Organization (ARDOR) designation. By statute, only fifteen organizations may be funded statewide and only one organization may hold the designation within a single region. Designated organizations are eligible to receive professional and technical assistance and a matching grant from the Department of Community and Economic Development. The matching grant is funded with state funds appropriated annually and specifically for the ARDOR Program.

ARDORs apply for these matching grants annually by submitting an application containing those elements stipulated by the Department. Generally, the elements include: summary forms; work plan; budget; verification that the match requirement can be satisfied (or a waiver request is submitted); a current regional development strategy if the Department does not have a copy; a copy of the organization's bylaws if the Department does not have a current copy; and board membership. Upon review and acceptance of a complete application, a grant agreement is entered into which stipulates, among other things, a schedule for the submission of activity and expenditure reports and for the disbursement of funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND NOT ALLOWED

Compliance Requirement

The grant agreement will specify the types of activities and services allowed.

Suggested Audit Procedures

- Review the grant agreement, identify allowed and disallowed activities and services and test the financial and related records to determine that funds were expended consistently with the purposes for which the funds were awarded.
- Some grantees are organizations with more missions than those of a single purpose ARDOR or some ARDORs may be engaged in an activity not considered to be a part of the ARDOR mission. In these instances, the grantee is required to designate which tasks will be funded by ARDOR funds, including the required match. The auditor should determine if the ARDOR grant funds and required matching funds were spent on the tasks outlined in the grant agreement.

B. ELIGIBILITY

The auditor is not expected to test for eligibility.

C. MATCH

Compliance Requirement

The grant agreement will specify any matching, level of effort and/or earmarking requirements.

Unless the Department grants a waiver in accordance with 3AAC 057.070 (d) and (f), an ARDOR is required to meet two matching requirements as described in 03 AAC 057.070. The auditor should first determine the applicable match ratio to enable calculating the minimum match amount. This ratio is based on a combination of two factors: whether or not the ARDOR encompasses a borough, and the population size of the area served by the ARDOR.

Once the minimum amount of match funds is determined, then the ARDOR is required to provide at least 20% of this amount from local sources, not to exceed \$10,000. The balance of the required minimum match can be provided by any source other than state funds.

Suggested Audit Procedure

- Review the grant agreement and verify that the required match was met.
- The auditor should determine the source of the matching funds and determine if the minimum amounts of cash for the local contribution and non-state match were provided.

D. REPORTING REQUIREMENTS

Compliance Requirement

The required content and schedule for periodic activity and expenditure reports will be contained in the grant agreement.

Suggested Audit Procedures

- Review the grant agreement, determine reporting requirements, secure copies of specified reports, and determine their level of compliance with the terms of the grant agreement.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

If the grantee is required to adhere to any special compliance requirements, they will be specified in the grant agreement.

Suggested Audit Procedure

- Review the grant agreement, identify any special compliance provisions and verify that those requirements were met.

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